

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

No. 13-53846

Chapter 9

HON. STEVEN W. RHODES

**EXHIBIT 68**

**APPELLEE STATE OF MICHIGAN'S DESIGNATION OF  
ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL**

In connection with Notice of Appeal filed by  
William M. Davis and DAREA [Dkt. #8369].

<b>Item</b>	<b>Date Filed</b>	<b>Docket Number</b>	<b>Description</b>
68	8/18/2014	6827	Motion of Objector Walter Gary Knall to Participate at Confirmation Hearing

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

FILED

2014 AUG 18 P 2: 46

IN RE:

Chapter 9 BANKRUPTCY  
E.D. MICHIGAN  
Case No. 13-53846 DETROIT

City of Detroit, Michigan,

Debtor.

**MOTION OF OBJECTOR WALTER GARY KNALL  
TO PARTICIPATE AT CONFIRMATION HEARING**

Walter Gary Knall states as follows

**INTRODUCTION/ PROCEDURAL BACKGROUND**

1. I received a ballot to vote as a holder of a Class 10 pension claim
2. The ballot stated that my pension was subject to an Annuity Savings Plan Recoupment of \$42,4231.64 under Alternative A and \$85,201.67 under Alternative B. Exhibit 1, attached.
3. There was no explanation as the basis for the claim that I owed either of these amounts, and certainly, I engaged in no fraud or deceit with regard to my annuity which I subscribed to with my own money and on terms that were presented to me by the Pension Board. I concur in the objection of Michael Karkowski, document 5923, to the legality of this annuity recoupment.
4. The ballot made no mention of the 6.75% interest that I subsequently learned is being claimed as part the monthly "annuity repayment."
5. The ballot had no amortization schedule attached to it outlining what percentage of the monthly payment being deducted from my pension was for interest and what percentage was being applied to the principal allegedly owed.



6. The ballot did not spell out whether the total estimated amount of the annuity savings plan recoupment under either Alternative A or Alternative B included the 6.75% interest rate or how it was calculated.
7. I subsequently received a letter dated June 28, 2014 informing me of the right pay off the annuity recoupment in a single lump sum. Exhibit 2, attached. This letter only added to the confusion by not specifying the amount of the lump sum payment, especially in light of the different payback amounts asserted under Alternative A and Alternative B.
8. The inadequacy of the disclosure in the ballot provided and subsequent letter violates basis consumer rights as enumerated in the Truth in Lending Act and under regulations formulated by the Consumer Finance Protection Bureau.
9. The idea that I and my fellow retirees should be asked to vote on a plan requiring us to pay tens of thousands of dollars back out of meager pensions on interest earned from our contributions in a plan for which the city solicited our participation, without knowing the precise terms under which the payback is being calculated, is outrageous and illegal.
10. I would ask the court for an opportunity to appear on August 29 to present the exhibits listed above and testify on my own behalf. I expect my testimony to take about 15 minutes.
11. I will be asking the court to strike the annuity recoupment plan or in the alternative to write into the plan of adjustment the city to be provide each retiree an accounting of how the amount was calculated, and an interest free method of recoupment.

Respectfully submitted,

  
Walter Gary Knall

15380 Evergreen Rd.





June 28, 2014

Dear Holder of a Class 11 GRS Pension Claim  
Who Is Subject to ASF Recoupment:

1. This letter is to advise those participants in the General Retirement System pension fund who are subject to Annuity Savings Fund ("ASF") Recoupment through a reduction in their monthly pension that you will now have the option of paying the ASF Recoupment amount in a single lump sum (the "Cash Option"), as many of you have requested.

2. Here are the important facts about the Cash Option and the option process:

The Cash Option will be available only if Class 10 (PFRS Pension Claims) and Class 11 (GRS Pension Claims) accept the City's Plan of Adjustment (the "Plan"), the Plan is confirmed by the Bankruptcy Court and the Plan becomes effective.

The Cash Option is a one-time opportunity for participants subject to ASF Recoupment through pension reduction to avoid that pension reduction by instead paying in a single lump sum the amount of their ASF Recoupment. You should be aware that whether you are able to purchase back 100% of your total ASF Recoupment amount will depend on how many participants elect the Cash Option. This is explained in Paragraph 3.

Following the Effective Date of the Plan, the City will notify each participant of the Cash Option and provide the participant with an election form setting forth the amount of his or her ASF Recoupment and the date by which the election must be made.

Each participant will have 35 days from the date on the election form (the "Election Date") to return the election form to

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[illegible]

**7. You do not have to elect the Cash Option.** If you do not elect the Cash Option, the ASF Recoupment amount will be deducted from your monthly pension check as provided for in the Plan.

It is important that you cast your vote on the Plan. You must check the box indicating acceptance or rejection and you must sign the ballot for your vote to be counted. The acceptance or rejection of the Plan is based on the votes that are actually received by Kurtzman Carson Consultants LLC, the Balloting Agent, in its California office no later than July 11, 2014. THE LAST PROPERLY COMPLETED BALLOT THAT THE BALLOTING AGENT RECEIVES FROM YOU BY JULY 11, 2014 WILL BE THE BALLOT THAT IS COUNTED.

If you need a new or replacement ballot, please contact Kurtzman Carson Consultants LLC, the Balloting Agent, immediately at (877) 298-6236 or via email at [detroitinfo@kccllc.com](mailto:detroitinfo@kccllc.com).

You can also email the Retiree Committee at [detroitretirees@dentons.com](mailto:detroitretirees@dentons.com) for additional information.